

Weekly Market Update



Stock prices moved lower as weak economic data and quarterly earnings put growth concerns at the forefront of investor's minds. The S&P 500 ended the week -2.05% as nearly 40% of the S&P 500's market cap reported quarterly earnings last week with varied results. The estimated earnings growth rate now stands at 11.5%, up from 9.8%, which would mark the highest year-over-year earnings growth rate since Q4 2021. The recent rotation towards small caps stalled last week as small companies sold off sharply, lagging their larger peers by roughly 400bps. From a style perspective, value outperformed growth across all size segments. Sector performance was also mixed for the week with notable losses in consumer discretionary, info tech and Energy. Only five sectors recorded gains with notable downside protection coming from utilities, communication services and real estate. Developed foreign and emerging markets stocks traded lower, but outperformed domestic markets.

Bond prices were sent higher as yields continued to come in dramatically, especially on the longer end, after the ISM manufacturing print and jobs data. The Fed elected to keep the federal funds rate unchanged but firmly put a September cut on the table. The 10-year treasury ended the week lower at 3.80%, after reaching its lowest intraday level since late December, while the two-year declined to 3.88%. Long duration bonds outperformed, led by government bonds as the top-performing segment. High yield bonds declined across the short and intermediate term. Investment grade corporate bond yields and high yield ended the week lower at 4.95% and 7.88%, respectively.

Economic data was largely negative last week with manufacturing and jobs data surprising to the downside. However, consumer confidence rose to 100.3 in July, a slight surprise to the upside, but still remains relatively soft as consumers remain concerned about prices and interest rates. ADP's employment report showed only 122,000 new jobs were added in July, marking the smallest increase in six months. The U.S. jobs report saw only 114,000 new jobs created, signaling a slowdown in hiring and softening in the labor market. The unemployment rate jumped up to 4.3%, its highest level since October of 2021. Wages only rose 0.2%, bringing year-over-year wage growth to 3.6% - a good sign for moderating inflation. The ISM manufacturing index fell for the fourth month in a row and hit an eight-month low as demand remains subdued as companies elect not to invest in capital and inventory. Factory orders fell 3.3% in July mostly due to weaker demand for passenger planes and military aircraft. The BoE cut its key interest rate by 25bps, its first reduction in policy rate since March of 2020, and signaled another cut likely in November.

Market Data as of Week Ending: 8/2/2024 unless noted otherwise

U.S. Equity Returns (Size & Style - Russell)

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-1.95%	-2.25%	-2.52%	-2.70%	-3.34%	-3.92%	2.27%	-1.93%	-5.56%	9.05%	12.03%	13.99%
Mid	-2.24%	-2.57%	-3.65%	-3.18%	-3.44%	-4.31%	2.67%	1.11%	-3.73%	7.34%	6.13%	2.02%
Small	-6.44%	-6.66%	-6.88%	-6.27%	-6.43%	-6.60%	5.15%	3.07%	1.05%	4.25%	4.86%	5.54%

U.S. Fixed Income Returns (Quality & Duration - Bloomberg)

	Week			MTD			QTD			YTD		
	Short	Interm	Long	Short	Interm	Long	Short	Interm	Long	Short	Interm	Long
Govt	1.35%	1.76%	5.65%	0.94%	1.18%	3.71%	2.46%	3.03%	7.41%	3.20%	3.27%	2.06%
Corp	1.10%	1.47%	3.24%	0.69%	0.87%	1.85%	2.26%	2.89%	5.08%	3.86%	3.91%	1.51%
HY	-0.05%	-0.07%	0.87%	-0.29%	-0.31%	-0.25%	1.46%	1.61%	2.77%	4.29%	4.31%	1.78%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-2.05%	-3.18%	-2.00%	12.99%
S&P MidCap 400	-4.11%	-4.84%	0.69%	6.89%
Russell 2000	-6.66%	-6.43%	3.07%	4.86%
MSCI EAFE	-1.96%	-3.77%	-0.94%	4.35%
MSCI Emerging Markets	-1.00%	-2.16%	-1.86%	5.48%
MSCI EAFE Small Cap	-1.62%	-3.98%	1.50%	2.01%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	1.67%	1.08%	2.98%	3.48%
Bloomberg US Agg	2.43%	1.58%	3.95%	3.21%
Bloomberg US High Yield	-0.05%	-0.31%	1.63%	4.26%
Other				
Bloomberg Commodity	-1.18%	-1.75%	-5.72%	-0.87%
S&P Dev Property	1.31%	0.17%	6.47%	3.34%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-4.28%	-6.76%	-5.21%	0.15%
Consumer Staples	1.17%	1.97%	3.94%	13.27%
Energy	-3.64%	-4.71%	-2.70%	7.94%
Financials	-2.99%	-3.77%	2.45%	12.87%
Health Care	0.65%	0.85%	3.52%	11.60%
Industrials	-2.77%	-3.98%	0.72%	8.54%
Info Technology	-4.02%	-5.29%	-7.26%	18.93%
Materials	-1.38%	-2.23%	2.06%	6.19%
Real Estate	2.80%	1.69%	9.03%	6.36%
Communication Svcs	1.26%	-1.05%	-5.02%	20.33%
Utilities	4.36%	2.04%	8.96%	19.24%

Bond Yields

	8/2/24	7/31/24	6/30/24	12/31/23
3Mo Libor	5.49%	5.50%	5.59%	5.59%
SOFR 3Mo Swap	5.13%	5.24%	5.32%	5.33%
2Yr Treasury	3.88%	4.29%	4.71%	4.23%
10Yr Treasury	3.80%	4.09%	4.36%	3.88%
2-10 Slope	-0.08%	-0.20%	-0.35%	-0.35%

Commodities and Currency

	8/2/24	7/31/24	6/30/24	12/31/23
Oil (\$/barrel)	73.52	77.91	81.54	71.65
Gold (\$/oz.)	2443.24	2447.6	2326.75	2062.98

Past performance is not a guarantee of future results. We believe the information presented is reliable, but we do not guarantee its accuracy.